



Agenda Item:

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## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 3/7/05

Communication

No.: 05-116

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Merrill Stanley, Finance Director

### SUBJECT—

Approve and authorize issuance of the Preliminary Official Statement related to the issuance of \$29,080,000 General Obligation Refunding Bonds.

### SYNOPSIS—

\$29,080,000 General Obligation Refunding Bonds would be issued to refund the Series 1996F G.O. Refunding Bonds and the Series 1998D G.O. Bonds, replacing those bonds with new bonds issued at a lower interest rate.

### FISCAL IMPACT—

Refinancing of the Series 1996F and Series 1998D bonds will result in net debt service savings estimated to total over \$1,000,000, averaging \$80,000 per year. The savings will be allocated to the debt service levy wherever possible, but an estimated 3%-4% of savings will need to be credited to the Airport enterprise fund.

### RECOMMENDATION—

Approval

**BACKGROUND—**

The General Obligation Refunding Bonds, Series 1996F, were originally issued in the amount of \$36,330,000 in December 1996 to refinance the General Obligation Bonds Series 1987, Series 1990C, and Series 1991A. The General Obligation Bonds, Series 1998D, were issued in June 1998 to fund the FY1999 Capital Improvement Program.

It is believed to be in the best interests of the city to conduct the bond sale as soon after the adoption of the FY2006 Budget as possible. An expedited schedule would set the sale for March 16, 2005 in order to take advantage of relatively low interest rates, and prior to the Federal Reserve Board meeting scheduled for March 22, 2005. It is expected that the sale will be at 10:00 AM on March 16, followed later that day by a Special City Council meeting to officially approve the sale. The exact time of the Special City Council meeting has not yet been set.